

Congressman Pence penned [a guest column](#) for the *Muncie Star Press* entitled "Why I opposed the bailout and how we can renew our economy" that ran over the weekend.

Our nation is confronted by a financial crisis of a magnitude many of us never expected to see in our lifetimes. In addition, many Americans are anxious about how the government is confronting this crisis.

But, as I have seen in the faces of Hoosiers over the past several weeks, many more approach this moment with faith, not fear. They know we have confronted much greater challenges than this one.

I also believe we will get through this crisis, but it will take time and a willingness to pursue solutions consistent with the principles that make America great: personal responsibility, fiscal discipline and a belief in free markets.

The Emergency Economic Stabilization Act of 2008, which Congress passed and the president signed on Oct. 3, is not consistent with those principles.

This legislation, the largest corporate bailout in American history, forever changed the relationship between government and the financial sector and passed the cost along to the American people. That cost could total a staggering \$700 billion, which will be added to our nation's debt and passed on to our children and grandchildren.

While I believe the president and Congress were right to act with all deliberate speed, I do not believe this bailout was the only solution.

I did not come to Washington to expand the size and scope of government, and I did not come to Washington to ask working Americans to subsidize the bad decisions of corporate America.

The bailout bill took \$700 billion in bad debt on Wall Street and put it on the backs of working

Americans on Main Street, and I could not support it.

The decision to give the federal government the ability to nationalize almost every bad mortgage in America interrupts a basic truth of our free market economy. Government cannot control outcomes in the economy without eroding the independence and integrity of our free market system. When the government chooses winners and losers in the market, every American loses.

While I opposed the bailout, inaction was never an option. I did not think Congress should sit idly by while credit markets froze, the stock market plummeted and Hoosiers faced economic uncertainty on a scale not seen in decades. It was important that Congress do something, but it was even more important that Congress do the right thing.

I believe this crisis could have been tackled without putting a \$700 billion burden on the American taxpayer. I supported an alternative plan that would have created an FDIC-style mandatory insurance program in which Wall Street firms would have paid to insure their mortgage-backed securities. Doing so would have made Wall Street not Main Street pay the cost of this rescue.

I also supported several fast-acting tax strategies that would have injected liquidity into our markets in order to help the financial sector get back on its feet and start lending again. I supported reducing the capital gains tax and providing other business deductions that would have released the inherent power of the American economy. Temporarily reducing the repatriation tax, as we did in 2004, would have brought hundreds of billions of dollars back into this economy from offshore.

By ignoring these proven alternatives, Congress missed a historic opportunity. It could have taken an alternative route: one of less government spending, less involvement in the lives of Americans and less interference with the free market. Unfortunately, that moment is gone, and the bill is law.

Sadly, the reaction of our markets in the week following passage of the bailout has not been encouraging. It appears investors like the bailout about as much as most Americans. Like many Americans, my family has seen our retirement and college savings accounts dwindle as

investors register their dissatisfaction with current rescue strategies being employed by the White House and the Congress.

Clearly Congress will need to take further steps to restore the strength and integrity of our financial markets, but this time, we need to go with proven strategies that will release the inherent power of the American economy and not burden future generations with debt.

As Congress takes up addition rescue measures in the weeks ahead, I remain hopeful that we will turn to remedies based on releasing the power of our free enterprise system, our belief in limited government and personal responsibility.

President Theodore Roosevelt said, "An American ... must face life with resolute courage, win victory if he can and accept defeat if he must, without seeking to place on his fellow man a responsibility which is not theirs."

With the bailout bill, Congress placed upon the American public a responsibility that was not theirs: bailing out financial institutions after they made irresponsible business decisions. Congress should not have done this, and I will continue to fight to confront these challenging times with faith in God, faith in the American people and faith in the principles of freedom and free enterprise. On that faith, and with resolute courage, I know we will prevail and prosper through these challenging times.